

For Immediate Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)

Shinsei Bank and IDC Otsuka Form Business Alliance for Housing Loan

Tokyo (Tuesday, February 8, 2005) --- Shinsei Bank Limited (“Shinsei Bank”) today announced that it formed a business alliance with Otsuka Kagu, Ltd. (“IDC Otsuka”), the largest furnishing retailer in Japan, and will launch a new type of housing loan “PowerSmart Home Loan” by which customers can borrow money above the original housing loan to purchase furniture and home furnishings from February 14, 2005.

In this new type of housing loan, “PowerSmart Home Loan”, customers can borrow money above the original housing loan to cover the entire or a part of expenditure for furniture and home furnishings, when customers purchase household furniture from IDC Otsuka at the same time of purchasing a house or refinancing existing housing loan. By forming business alliance with retailer companies including furniture sales company, Shinsei Bank will be able to provide an additional loan to customers to purchase furniture and home furnishings and others at the same condition as that of an original housing loan.

In IDC Otsuka showrooms, customers can coordinate home furnishings including curtain, lighting and floor covering with furniture. Customers will be able to use the “PowerSmart Home Loan” to upgrade living quality and to purchase houses at the same time. Loan amount to be increased for furniture and home furnishing purchasing is from 500,000 yen to 5 million yen at most, in 100,000 yen unit. Depending on a result of credit appraisal, a request to increase loan amount for furniture may not be accepted.

Shinsei Bank has been providing PowerSmart Housing Loan since February 2002 and it has been appreciated by customers with its effective features such as free of charge expediting repayment. This new type of housing loan, “PowerSmart Home Loan”, is an extension of PowerSmart Housing Loan.

The on-going campaign rate, a conditional five-year special interest rate of 1% p.a. will be applied to “PowerSmart Home Loan” as well. Together with the free of charge expediting repayment feature, customers can enjoy a lower interest rate than that of regular shopping loan for furniture and home furnishing purchasing.

Shinsei Bank continues to develop new products and services to meet various customers’ needs.

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$60 billion in assets and 29 branches throughout Japan (non-consolidated, as of December 2004), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service along with our customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.

News and other information about Shinsei Bank are available at <http://www.shinseibank.com/english/index.html>.